

or as designated from time to time by Licensor. The System at present includes, but is not limited to, the principal trade and/or service mark "Hotel Indigo[®]", the service mark "Holidex[®]" and the other Marks (as defined in Paragraph 7.B. below) and intellectual property rights made available to licensees of the System by reason of a license; all rights to domain names and other identifications or elements used in electronic commerce as may be designated from time to time by Licensor in accordance with Licensor's specifications to be part of the System; access to a reservation service operated in accordance with specifications established by Licensor from time to time; preparation and distribution of advertising, publicity and other marketing programs and materials; the furnishing of training programs and materials; confidential or proprietary information, standards, specifications and policies for construction, furnishing, operation, appearance and service of the Hotel, standards and specifications for interior and exterior design and decor and other requirements as stated or referred to in this License and from time to time in Licensor's Standards Manual (the "Manual") or in other communications to Licensee; and programs for inspecting the Hotel, measuring and assessing service, quality and consumer opinion, and consulting with Licensee. Licensor may add elements to the System or modify, alter or delete elements of the System in its sole discretion from time to time.

2. Grant of License:

Licensor hereby grants to Licensee a non-exclusive license to use the System only at the Hotel, but only in accordance with this License and the specifications in the Manual.

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but only in accordance with this License and only during the "License Term" beginning with the Term Commencement Date and terminating as provided under paragraph 12 hereof. The License applies to the location specified herein and to no other location. Licensee acknowledges that Licensor, its divisions, subsidiaries, affiliates and parents are and may in the future be engaged in other business activities, including activities involving transient lodging and related activities, and that Licensee is acquiring no rights hereunder other than the right to use the System as specifically defined herein in accordance with the terms of this License.

This License does not limit Licensor's right, or the rights of any parent, subsidiary or affiliate of Licensor, to use or license the System or any part thereof, or to engage in or license any business activity at any other location, including, without limitation, the licensing, franchising, ownership, operation and/or management of lodging facilities and related activities under the names and marks associated with the System and/or any other names and marks. Licensee acknowledges that Licensor's rights to use and/or license the System, referenced immediately above, pre-date this License and are not limited or changed by the terms of this License. Licensee agrees that by acknowledging those rights, the parties do not intend to make Licensor's exercise of such rights subject to rules applicable to contractual performance or the exercise of contractual discretion under this License.

3. **Licensee's Responsibilities:**

A. **Operational and Other Requirements.**

During the License Term, Licensee will:

- (1) maintain a high moral and ethical standard and atmosphere at the Hotel;

- (2) maintain the Hotel in a clean, safe and orderly manner and in first class condition;
- (3) provide efficient, courteous and high-quality service to the public;
- (4) operate the Hotel 24 hours a day every day except as otherwise permitted by Licensor based on special circumstances;
- (5) strictly comply in all respects with the Manual (as it may from time to time be modified or revised by Licensor) and with all other policies, procedures and requirements of Licensor which may be from time to time communicated to Licensee (which communication, at Licensor's option, may be in hard paper copy or digital, electronic or computerized form and Licensee must pay any costs to retrieve, review, use or access such digital, electronic or computerized communication);
- (6) strictly comply with all of Licensor's standards and specifications for goods and services used in the operation of the Hotel and other reasonable requirements to protect the System and the Hotel from unreliable sources of supply;
- (7) strictly comply with Licensor's requirements as to:
 - (a) the types of services and products that may be used, promoted or offered at the Hotel;
 - (b) the types and quality of services and products that, to supplement services listed on Attachment A, must be used, promoted or offered at the Hotel;
 - (c) the use, display, style and type of signage and of all other forms of identification at or pertaining to the Hotel, including but not limited to any use of the Hotel Indigo name or any other of Licensor's service marks, trademarks or copyrights (in all formats, including but not limited to print, electronic or computerized form).

- (d) directory and reservation service listings of the Hotel;
 - (e) training of persons to be involved in the operation of the Hotel;
 - (f) participation in all marketing, reservation service, advertising, training and operating programs designated by Licensor as System-wide (or area-wide) programs in the best interests of hotels using the System;
 - (g) maintenance, appearance, interior and exterior design, interior decor and condition of the Hotel; and
 - (h) quality and types of services offered to customers at the Hotel.
- (8) use such electronic guest service and/or hotel management system(s) and/or telephone or telecommunication system(s) which Licensor deems to be in the best interests of the System, including any additions, enhancements, supplements, or variants thereof which may be developed during the term hereof;
 - (9) participate in and use those reservation services which Licensor deems to be in the best interests of the System, including any additions, enhancements, supplements or variants thereof which may be developed during the term hereof;
 - (10) adopt all improvements or changes to the System as may be from time to time designated by Licensor;
 - (11) strictly comply with all governmental requirements, pay all taxes, and maintain all governmental licenses and permits necessary to operate the Hotel in accordance with the System;
 - (12) permit inspection of the Hotel by Licensor's representatives at any time and give them free lodging for such time as may be reasonably necessary to complete their inspections;

- (13) promote the Hotel on a local or regional basis subject to Licensor's requirements as to form, content and prior approvals;
- (14) insure that no part of the Hotel or the System is used to further or promote a competing business or other lodging facility, except as Licensor may approve for businesses or lodging facilities owned, licensed, operated or otherwise approved by Licensor or its parents, divisions, subsidiaries, and affiliates;
- (15) use every reasonable means to encourage use of Hotel Indigo facilities everywhere by the public;
- (16) in all respects use Licensee's best efforts to reflect credit upon and create favorable public response to the name "Hotel Indigo";
- (17) promptly pay to Licensor all amounts due Licensor, its parents, subsidiaries and affiliates as royalties, or charges, whether or not arising out of this License, or for goods or services purchased by Licensee for use at the Hotel; and
- (18) Licensee shall comply with Licensor's reasonable requirements concerning confidentiality of information; and, in particular, shall not disclose, without Licensor's written permission, information pertaining to Licensor's marketing and reservations programs that have not been disclosed to the public.

B. Upgrading of the Hotel.

Using the same requirements applicable generally to hotels under the System operated by Licensor and its licensees in the same category as the Hotel, Licensor may at any time during the term hereof require substantial modernization of the Hotel.

...ing the Hotel... require substantial modernization, renovation and other upgrading of the Hotel. Limited exceptions from those requirements may be made by Licensor based on local conditions or special circumstances. If the upgrading requirements contained in this paragraph 3.B cause Licensee undue hardship, Licensee may terminate the License, by giving Licensor at least six (6) months' advance notice accompanied by a lump sum payment as an early termination fee, and not as a penalty or in lieu of any other payments required under this License, equal to the total of all amounts required under paragraph 3.C for the 12 calendar months of operation preceding the notice or if the Hotel has been in operation in the System for less than 12 months, the greater of (i) 12 times the monthly average of such amounts for the period during which the Hotel has been in operation in the System, or (ii) 12 times such amounts as are due for the one month preceding the termination. The provisions of the preceding sentence are not applicable to the Work as defined in this License or to future upgrading requirements due to conversions, relicensing, product quality inspections of the Hotel, Standards Manual requirements or a request for change of ownership by Licensee.

C. Fees.

- (1) For each month (or part of a month) during the License Term, Licensee will pay to Licensor by the 15th of the following month, except in the case of the Technology Fee in paragraph 3.C(1)(c) below, which is payable monthly in advance:
 - (a) a royalty of 5% of the gross rooms revenues attributable to or payable for rental of guest rooms at the Hotel with no deduction for any item, including, but not limited to, no adjustment for the cost of any food and

beverage items provided or made available to a guest as an incident of a suite rental, however with deductions for sales and room taxes only ("Gross Rooms Revenue"); and

- (b) "Brand Services Contribution," ("Services Contribution"), equal to 3.5% of Gross Rooms Revenue which, in Licensor's sole business judgment as to the long-term interests of the System, will be used by Licensor for marketing, reservations, training programs, and related services and to pay for a brand specified and brand scheduled renewal program for Hotel public spaces and guest rooms ("Renewal Program.") Items scheduled to be changed-out on a periodic basis under the Renewal Program include, for example, guest room items such as printed collateral material and public space elements such as lobby graphics and directional signage ("Renewal Work.") Licensor will determine the actual requirements of the Renewal Program from time to time and include them in the Manual. Amounts from the Services Contribution used for Renewal Work at your Hotel are determined by Licensor alone. The Service Contribution cannot be used to cover the cost of maintenance, repair, modernization, renovation, or upgrading of your Hotel. Licensor and its affiliates are not responsible for any of these costs. Besides Renewal Work, funds from Services Contributions will typically be invested in activities that strengthen the brand such as awareness advertising, reservations, training programs, research, and the development of new or improved services, but may also include tactical marketing initiatives.

include tactical marketing initiatives more focused on short term revenue enhancement and seasonal marketing programs. The Services Contributions do not include costs which you incur in the acquisition, installation or maintenance of reservations services, equipment or training, or in your own marketing activities. Licensor can change the Services Contribution from time to time. Licensor may, on 30 days advance written notice, at any time during the term of your License, and from time to time, increase the Services Contribution by up to 1% of Gross Rooms Revenue. If Licensor increases the Services Contribution in this way, then Licensor cannot make another discretionary increase again for 24 months after the start of a prior increase. Holiday may increase the Services Contribution by a maximum of 2% of Gross Rooms Revenue over the term of your License; and

- (c) a monthly Technology Fee of \$11.91 for each guest suite at the Hotel to be used by Licensor for provision of technology services, such as, but not limited to satellite communications services to the Hotel, plus such increases as Licensor may judge reasonable, but in no case exceeding in any calendar year 10% of the fee in effect at the beginning of that year, (the Technology Fee does not include the cost or installation of any equipment at the Hotel); and
- (d) all fees due for travel agent commission programs, including Electronic Commission Services and Field Marketing Co-op programs attributable to the Hotel; and
- (e) an amount equal to any sales, gross receipts or similar tax imposed on Licensor and calculated solely on payments required hereunder, unless the tax is an optional alternative to an income tax otherwise payable by Licensor.

Licensor may, at its election, require Licensee to pay all outstanding fees by electronic funds transfer/direct debit of account or other similar technology designed to accomplish the same purpose.

Licensee will operate the Hotel so as to maximize Gross Rooms Revenues of the Hotel consistent with sound marketing and industry practice and will not engage in any conduct which reduces Gross Rooms Revenues of the Hotel in order to further other business activities.

- (2) A standard application fee for additional rooms as set forth in Licensor's then current Hotel Indigo disclosure document will be charged upon application for any guest rooms to be added to the Hotel.
- (3) Additional royalties may be charged on revenues (or upon any other basis, if so determined by Licensor) from any activity if it is added at the Hotel by mutual agreement, and:
 - (a) it is not now offered at System hotels generally and is likely to benefit significantly from or be identified significantly with the Hotel Indigo name or other aspects of the System; or
 - (b) it is designed or developed by or for Licensor.
- (4) Charges may be made for optional products or services accepted by Licensee from Licensor, either in accordance with current practice or as developed in the future.

- future.
- (5) Each payment under this paragraph 3.C, except the standard Additional Rooms Application Fee, shall be accompanied by the monthly statement referred to in paragraph 8.A. Licensor may apply any amounts received under this paragraph 3.C. to any amounts due under this License. If any amounts are not paid when due, such non-payment shall constitute a breach of this License and, in addition, such unpaid amounts will accrue interest beginning on the first day of the month following the due date at 1 1/2% per month or the maximum interest permitted by applicable law, whichever is less.
- (6) Local and regional marketing programs and related activities may be conducted by Licensee, but only at Licensee's expense and subject to Licensor's requirements. Reasonable charges may be made for optional advertising materials ordered or supplied by Licensor to Licensee for such programs and activities.
- (7) Licensor has the right, in its sole discretion, to require Licensee to tender any payments due to Licensor under this License to Licensor's parents, affiliates, subsidiaries or other designees.

4. **Licensor's Responsibilities:**

A. **Training.**

During the License Term, Licensor will continue to specify and provide required and optional training services and programs at various locations. A fee may be charged for certain required and optional training services. Travel, lodging and other expenses of

Licensee and its employees will be borne by Licensee. Reasonable charges may be made for training materials.

B. Reservation Services.

During the License Term, so long as Licensee is in full compliance with its obligations hereunder, Licensor will afford Licensee access to reservation service for the Hotel on terms consistent with this License.

C. Consultation on Operations, Facilities and Marketing.

During the License Term, Licensor will, from time to time at Licensor's discretion, make available to Licensee consultation and advice in connection with operations, facilities and marketing. Licensor may from time to time furnish to Licensee names of suppliers or recommend to Licensee suppliers of goods and services required or useful in the operation of the Hotel; however, Licensor is not obligated to furnish any such names or to continue doing so, and Licensee is under no obligation to use any such supplier, unless expressly required to do so by the terms of this License, the Manual or otherwise. In identifying or recommending suppliers, Licensor exercises its business judgment based on its information as of that date and its sense of the long-term interests of the System. Licensor's identification or recommendation of a supplier is not a warranty of the financial condition or performance of any supplier or of any other factor, and Licensee's use of an identified or recommended supplier that sells products or services meeting

D. Maintenance of Standards.

Licensors will conscientiously seek to maintain high standards of quality, cleanliness, appearance, design and service at all hotels using the System so as to promote, protect and enhance the public image and reputation of the Hotel Indigo name and to increase the demand for services offered by the System. Licensors's judgment in such matters shall be controlling in all respects, and it shall have wide latitude in making such judgments.

E. Application of Manual.

Licensee's Hotel and all other hotels operated under the System will be subject to the Manual, as it may from time to time be modified or revised by Licensors, including limited exceptions from compliance which may be made based on local conditions, type of hotel or special circumstances. The Manual and any modification to it can be delivered by Licensors to Licensee in hard paper copy or, at Licensors's option, be made available to Licensee in digital, electronic or computerized form. If communicated in digital, electronic or computerized form, Licensee must pay any costs to retrieve, review, use or access the Manual. The Manual is confidential and remains the property of Licensors.

F. Other Arrangements for Marketing, Etc.

Licensors may enter into arrangements for development, reservation services, marketing, operations, administrative, training, technical and support functions, facilities, programs, services and/or personnel with any other entity, and may use any facilities, programs, services or personnel used in connection with the System, in connection with any business activities of its parents, subsidiaries, divisions or affiliates.

G. Licensors' Use of Other Advertising/Promotional Support Funds.

To the extent that advertising and/or promotional support and/or funding may become available to Licensors' parents, affiliates or subsidiaries and/or Licensors from third parties on account of the totality of the activities of Licensors' parents, affiliates and subsidiaries, including hotels operated under the System, such support and/or funding may be used or designated by Licensors' parents, affiliates or subsidiaries, or Licensors, to benefit such enterprises in the aggregate, in such proportion and manner as Licensors' parents, affiliates or subsidiaries, or Licensors determine reasonably promotes the totality of such enterprises, exercising reasonable good faith business judgment with respect to such determination, provided that any such support or funding coming from activities of the System shall be used for the benefit of the System.

H. Performance of Licensors' Obligations.

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Licensee understands and agrees that Licensee is responsible for all of its obligations under this License directly or through Licensor's parents, affiliates, subsidiaries or other designees.

5. **Changes In The Manual:**

Each change in the Manual shall be communicated in writing to Licensee at least 30 days before it goes into effect (which communication may be in hard paper copy or, at Licensor's option, in digital, electronic or computerized form, and if such communication is in digital, electronic or computerized form, Licensee must pay any costs to retrieve, review, use or access same). Licensor's Franchise Committee or its equivalent, or designee subcommittee, must approve any such change and must determine, in the exercise of its business judgment, that the change was adopted in good faith and is consistent with the long-term overall interests of the System.

6. **IAHI:**

A. **Membership.**

Licensee, other licensees of the System, and Licensor are eligible for membership in the "IAHI" (the franchise association or successor sanctioned as such by Licensor) and are entitled to vote at its meetings on the basis of one hotel, one vote, provided that Licensee or Licensor, as the case may be, has paid all its dues and fees owing to the IAHI. The purposes of the IAHI will be to consider, discuss and make recommendations on common problems relating to the operation of System hotels.

B. Function of Committees.

IAHI Committees, their functions and their members will be subject to approval in writing by Licensor, which approval will not be unreasonably withheld. Recognizing that the IAHI must function in a manner consistent with the best interests of all persons using the System, the Licensee and Licensor will use their best efforts to cause the governing rules of the IAHI to be consistent with this License.

7. Proprietary Rights:

A. Ownership of System.

The Licensee acknowledges and will not contest, either directly or indirectly, Licensor's unrestricted and exclusive ownership of the System and any element(s) or component(s) thereof, or that Licensor has the sole right to grant licenses to use all or any element(s) or component(s) of the System. Licensee specifically agrees and acknowledges that Licensor owns or is licensed to use the mark "Hotel Indigo " and all other Marks (as defined in Paragraph 7.B. below) and other elements associated with the System as defined in Paragraph 1.B above, or derived therefrom (including but not limited to domain names or other identifications or elements used in electronic commerce), together with the goodwill symbolized thereby, and that Licensee will not contest directly or

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indirectly the validity or ownership of the Marks either during the term of this License or after its termination. All improvements and additions hereto shall be made by Licensee with the System by the parties hereto or anyone else, and all service marks, trademarks, copyrights, and service mark, trademark, domain name or similar registrations at any time used, applied for or granted in connection with the System, and all goodwill arising from Licensee's use of Licensor's marks shall inure to the benefit of and become the property of Licensor. Upon expiration or termination of this License, no monetary amount shall be assigned as attributable to any goodwill associated with Licensee's use of the System or any element(s) or component(s) of the System including any trademarks or service marks licensed hereunder.

B. Disputes Concerning the Marks or System.

The "Marks" mean the name and mark "Hotel Indigo" and its distinguishing characteristics and the other service marks, trademarks, trade names, slogans, commercial symbols, logos, trade dress, copyrighted material and intellectual property associated with the System, including (without limitation) those which Licensor may designate in the future for use and those which Licensor does not designate as withdrawn from use (the "Marks"). Licensor will have the sole right and responsibility to handle disputes with third parties concerning use of all or any part of the Marks or System, and Licensee will, at its reasonable expense, extend its full cooperation to Licensor in all such matters. All recoveries made as a result of disputes with third parties regarding use of the Marks or System or any part thereof shall be for the account of Licensor. Licensor need not initiate suit against alleged imitators or infringers, and may settle any dispute by grant of a license or otherwise. Licensee will not initiate any suit or proceeding against alleged

imitators or infringers, or any other suit or proceeding to enforce or protect the Marks or System.

C. Protection of the Marks.

Both parties will make every effort consistent with the foregoing to protect and maintain the Marks. Licensee agrees to execute any documents deemed necessary by Licensor or its counsel to obtain protection for the Marks or to maintain their continued validity and enforceability. Licensee agrees to use the names and the Marks associated with the System only in the manner authorized by Licensor and acknowledges that any unauthorized use thereof shall constitute infringement of Licensor's rights.

D. Modification or Discontinuation of the Marks.

If Licensor modifies or discontinues use of any of the Marks licensed under this License as a result of any proceeding or settlement, then Licensee agrees to comply with Licensor's instructions in order to implement such modification or discontinuation. Licensee further agrees that it will have no right to any compensation or other remedies from Licensor or any of its subsidiaries, affiliates or parents as a consequence of any such modification or discontinuation.

8. Records And Audits:

A. Monthly Statements

At least monthly, Licensee shall prepare a statement which will include all information concerning Gross Rooms Revenue, other revenues generated at the Hotel, room occupancy rates, reservation data and other information required by Licensor that may be useful (in Licensor's sole business judgment) in connection with marketing and other functions of Licensor, its parents, subsidiaries, divisions or affiliates (the "Data"). The Data shall be the property of Licensor. The Data will be permanently recorded and retained by Licensee as may be reasonably required by Licensor. By the 3rd of each month, Licensee will submit to Licensor a statement setting forth the Data and reflecting the computation of the amounts then due under paragraph 3.C. The statement will be in such form (including but not limited to electronic transmission or automatic capture) and detail as Licensor may reasonably request from time to time, and may be used by Licensor for its reasonable purposes.

B. Preparation and Maintenance of Records.

Licensee will, in a manner and form satisfactory to Licensor and utilizing accounting and reporting standards as reasonably required by Licensor, prepare on a current basis (and preserve for no less than 4 years or Licensor's record retention requirements, whichever is longer), complete and accurate records concerning Gross Rooms Revenue and all financial, operating, marketing and other aspects of the Hotel, and maintain an accounting system which fully and accurately reflects all financial aspects of the Hotel and its business. Such records shall include but not be limited to books of account, tax returns, governmental reports, register tapes, daily reports, and complete quarterly and

annual financial statements (profit and loss statements, balance sheets and cash flow statements).

C. Audit.

Licensors may require Licensee to have Licensee's Gross Rooms Revenue and/or monies due hereunder computed and certified as accurate by a certified public accountant. During the License Term and for two years afterward, Licensors and its authorized agents will have the right to verify information required under this License by requesting, receiving, inspecting and auditing, at all reasonable times, any and all records referred to above wherever they may be located (or elsewhere if reasonably requested by Licensors). If any such inspection or audit discloses a deficiency in any payments due hereunder, and the deficiency in any payment is not offset by overpayment, Licensee shall immediately pay to Licensors the deficiency and interest thereon as provided in paragraph 3.C(5). Licensee shall also immediately pay to Licensors an audit fee of \$3,000. If the audit does not result in a deficiency being assessed, then no audit fee will be assessed. If the audit discloses an overpayment, Licensors will immediately refund it to Licensee.

D. Annual Financial Statements.

Licensee will submit to Licensors as soon as available but not later than 90 days after the end of Licensee's fiscal year, and in a format as reasonably required by Licensors, complete financial statements for each year. Licensors will not be responsible for

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complete financial statements for such year. Licensee will certify them to be true and correct and to have been prepared in accordance with generally accepted accounting principles consistently applied, and any false certification will be a breach of this License.

9. **Indemnity And Insurance:**

A. **Indemnity.**

Licensee will indemnify Licensor, its parents, subsidiaries and affiliates and their officers, directors, employees, agents, successors and assigns against, hold them harmless from, and promptly reimburse them for all payments of money (fines, damages, legal fees, expenses, etc.) by reason of any claim, demand, tax, penalty, or judicial or administrative investigation or proceeding whenever asserted or filed (even where negligence of Licensor and/or its parents, subsidiaries and affiliates is alleged) arising from any claimed occurrence at the Hotel or any act, omission or obligation of Licensee or anyone associated or affiliated with Licensee or the Hotel. At the election of Licensor, Licensee will also defend Licensor and/or its parents, subsidiaries and affiliates and their officers, directors, employees, agents, successors and assigns against same. In any event, Licensor will have the right, through counsel of its choice, to control any matter to the extent it could directly or indirectly affect Licensor and/or its parents, subsidiaries or affiliates or their officers, directors, employees, agents, successors or assigns. Licensee agrees to pay Licensor all expenses including attorney's fees and court costs, incurred by Licensor, its parents, subsidiaries or affiliates, and their successors and assigns, to remedy any defaults of or enforce any rights under the License, effect termination of the License or collect any amounts due under the License.

B. Insurance.

During the License Term, Licensee will comply with all insurance requirements of any lease or mortgage covering the Hotel, and Licensor's specifications for insurance as to the amount and type of coverage as may be reasonably specified by Licensor from time to time in writing, and will in any event maintain on the Hotel as a minimum, the following insurance underwritten by an insurer approved by Licensor:

- (1) employer's liability with minimum limits of \$10,000,000 per occurrence; and
- (2) worker's compensation insurance; and
- (3) employment practices liability insurance (including coverage for harassment, discrimination and wrongful termination and covering defense and indemnity costs) with a limit of \$1,000,000 per loss; and
- (4) the holder of the liquor license will maintain liquor liability insurance with single limit coverage for personal and bodily injury and property damage of at least \$10,000,000 for each occurrence naming Licensor and its parents, subsidiaries and affiliates (and Licensee if applicable) as additional insureds; and
- (5) commercial general liability insurance (including coverage for product liability, completed operations, contractual liability, host liquor liability and fire legal liability) and business automobile liability insurance (including hired and non-owned liability) with single-limit coverage for personal and bodily injury and property damage of at least \$10,000,000.

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property damage of at least \$10,000,000 for each occurrence, naming Licensor and its parents, subsidiaries and affiliates as additional insureds. In connection with all construction at the Hotel during the License Term, Licensee will cause the general contractor to maintain commercial general liability insurance (including coverage for product liability, completed operations and contractual liability) and business automobile liability insurance (including hired and non-owned liability) with limits of at least \$10,000,000 per occurrence for personal and bodily injury and property damage underwritten with insurers approved by Licensor. Licensor and its parents, subsidiaries and affiliates will be named as additional insureds.

- (6) If multiple locations are insured on policies containing an aggregate limit, then the aggregate limit must apply on a per location aggregate basis.

All policies must be written on a fully insured basis. Deductibles or self-insured retentions are subject to approval on an individual basis.

C. Evidence of Insurance.

At all times during the License Term, Licensee will furnish to Licensor certificates of insurance evidencing the term and limits of coverage in force, names of applicable insurers and persons insured, and a statement that coverage may not be canceled, altered or permitted to lapse or expire without 30 days' advance written notice to Licensor. Revised certificates of insurance shall be forwarded to Licensor each time a change in coverage or insurance carrier is made by Licensee, and/or upon renewal of expired coverages. At Licensor's option, Licensee may be required to provide certified insurance policy copies.

10. Transfer:

A. Transfer by Licensor.

Licensor shall have the right to transfer or assign this License or any of Licensor's rights or obligations hereunder to any person or legal entity.

B. Transfer by Licensee.

Licensee understands and acknowledges that the rights and duties set forth in this License are personal to Licensee, and that Licensor has granted this License in reliance on the business skill, financial status, and personal character of Licensee (if Licensee is an individual), and upon the owners, members, partners or stockholders of Licensee (if Licensee is an entity, such as a partnership, limited liability company or corporation ("Entity")). Accordingly, neither Licensee nor any immediate or remote successor to any part of Licensee's interest in the License, nor any individual or Entity which directly or indirectly owns an Equity Interest (as that term is defined herein) in Licensee or the License, shall sell, assign, transfer, convey, pledge, mortgage, encumber, or give away, any direct or indirect interest in the License or Equity Interest in Licensee, except as provided in this License. Any purported sale, assignment, transfer, conveyance, pledge, mortgage, or encumbrance by operation of law or otherwise, of any interest in the License or any Equity Interest in Licensee not in accordance with the provisions of this License, shall be null and void.

- (1) For the purposes of this paragraph 10, the term "Equity Interests" shall mean any stock ownership, membership or partnership interests in Licensee and the interests of any partner, whether general or limited, in any partnership, with respect to such partnership, and of any stockholder, member or owner of any corporation or company with respect to such corporation or company, which partnership, corporation or company is the Licensee hereunder or which partnership, corporation or company owns a direct or indirect beneficial interest in Licensee. References in this License to "publicly-traded Equity Interests" shall mean any Equity Interests which are traded on any securities exchange or are quoted in any publication or electronic reporting service maintained by the National Association of Securities Dealers, Inc. or any of its successors.
- (2) If Licensee is an Entity, Licensee represents that the Equity Interests in Licensee are directly and (if applicable) indirectly owned, as shown in Attachment "A".
- (3) In computing changes of Equity Interest, limited partners will not be distinguished from general partners, and Licensors's judgment will be final if there is any question as to the definition of Equity Interest or as to the computation of relative Equity Interests, including transfers of Equity Interests, the principal considerations being:
 - (a) direct and indirect power to exercise control over the affairs of the Licensee;
 - (b) direct and indirect right to share in Licensee's profits; and